



IMPACT ANALYSIS

October 4, 2022



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RECENT DEVELOPMENTS

Protests in Iran

Iran is currently experiencing its most serious civil unrest since 2009. At least 70 people reportedly died in nationwide protests triggered by the in-custody death of a young woman detained by morality police over her supposedly immodest clothes. Authorities claim she died of heart failure, but protesters believe she was beaten.

As well as protesting for women's rights, there are now calls for regime change because of years of corruption, isolation, and economic mismanagement. This is typically an indicator of an escalation and momentum in unrest. However, the security forces are unlikely to be overwhelmed, and a violent crackdown against protesters will almost certainly occur. Iran has seen off regular bouts of unrest in this way, and this time is unlikely to be different.

Global Economic Slowdown

According to the Organisation for Economic Co-operation and Development (OECD), some of the world's leading economies, including Germany, Italy, and the UK, are heading into a recession. The primary causes are the energy and inflation crisis that has emerged from the war in Ukraine and the COVID-19 pandemic. Additionally, the World Bank cut its growth forecast for China - the world's second-largest economy - in 2022 to 2.8 percent compared to 8.1 percent last year. China had set a target of 5.5 percent for 2022 but is being weighed down by its zero COVID strategy and real estate debt crisis. Further interest rate increases are very likely across multiple countries to control inflation. Economic instability will drive labor and social unrest in the coming months.

Tunisian Protests

Protests erupted in Tunisia on September 25 over food shortages and high living costs. Inflation has stayed consistently around 9 percent, resulting in the government raising prices on cooking fuel and food staples within the country.

The Tunisian parliament was dissolved mid-2021, and all political power rests solely with Tunisian President Kais Saied. He has not yet addressed the protests, but riot police have dispersed protestors with tear gas and have confiscated goods from vendors selling produce illegally. President Saied has been in talks with the International Monetary Fund (IMF) to secure a loan to help alleviate Tunisia's economic situation. Still, the current protests put further pressure on Saied to deliver on those promises.

Tunisia is especially sensitive to external supply crises, importing most of its food from other nations. For example, the country was previously facing a shortage of wheat in the wake of the Russian invasion of Ukraine. Still, other food supply chains are impacted by the current global economic situation.

Nord Stream Pipeline Leaks

Two Russian gas pipelines, Nord Stream 1 and Nord Stream 2, are presently leaking into the Baltic Sea. Neither pipeline was actively supplying gas to Europe when the leaks were identified. However, this removes the possibility that Europe will receive additional gas supply via Nord Stream 1 before the start of winter. This comes as Russia had already slashed gas supplies to Europe in the months since the country's invasion of Ukraine and more recently halted the supply altogether, citing technical difficulties. The pipeline leaks only deepen fears of a looming energy crisis in Europe this winter.

European leaders have stated it is possible that these leaks are the result of an intentional act of sabotage, noting that it is rare for undersea concrete steel pipes to break at random. According to Swedish and Danish seismologists, seismographic data indicates two likely explosions occurring in the area of the leaks. Several potential explanations have been offered, including deliberate actions by Russia to further sabotage the European energy supply. However, currently, there is no direct evidence to definitively identify the cause of these leaks.

Nigeria Elections

Campaigning for Nigeria's February 2023 general election began this month. For several recent decades, Nigeria has utilized an informal power-sharing system to facilitate a rotation of presidents from the country's six designated zones. The agreement has encouraged a more equal and fair power distribution amongst various groups. The two largest political parties have nominated candidates who plan to break with this informal power-sharing system.

The country will likely face a volatile security environment in the near term. An increase in violence and corruption, coupled with a worsening economic outlook, can potentially drive a severe rise in security risks.

A CLOSER LOOK...

War in Ukraine

On September 21, Russia announced its largest military conscription since World War II. On the same day, it was also announced that Russia would stage referendums on joining Russia in the areas of Ukraine it had captured. Predictably, elections officials installed by Russia reported that all four regions in which the referendum was held had voted to join Russia. However, the vote will not be recognized internationally.

Armed soldiers reportedly went door to door to collect votes. According to pro-Russian officials, 93 percent of the ballots cast in the Zaporizhzhia region supported annexation, as were 87 percent of ballots in the southern Kherson region, 98 percent in Luhansk, and 99 percent in Donetsk. On September 30, Putin officially announced the annexation stating that Moscow will now recognize these regions as Russian territory. The Russian legislature began the official approval process on October 3.

Russia's conscription of around 300,000 reservists has also begun. However, it is unpopular domestically, with protests against the draft in several cities, including attacks on military recruitment offices and officers. There has also been a scramble to leave the country. In the hours after the mobilization was announced, the cost of one-way flights to visa-free countries for Russians such as Armenia, Georgia, Montenegro, and Turkey increased substantially. Long queues at border crossings were reported, and "how to leave Russia" became the most searched term on Google.

The influx of troops will likely take several months to have an impact. The conscripts have been promised extra training, but Russian training is poor. Many experienced officers who could have provided anything substantial are likely dead or currently fighting. The ultimate result may be an increase in poorly trained and equipped troops with no real motivation to fight being sent to Ukraine.

There are several reasons why Russia has annexed the territory it has taken in Ukraine, even if the rest of the world doesn't recognize it. Firstly, it allows Russia to claim Ukrainian offensives on those areas as attacks on Russian territory. This is important because it legitimizes the Russian narrative of attacks by Ukraine and, by extension, the North Atlantic Treaty Organization (NATO) against Russia. This allows Russia increased cause to declare the conflict a war rather than a special military operation. This would make further military mobilizations possible, though they would be unpopular.

Russia may use this as justification for an escalation in the war, including an increase in the targeting of civilian infrastructure in Ukraine or, in an extreme scenario, the use of nuclear weapons. Putin made comments in a televised address on September 21 that Russia was not bluffing on its potential use of such weapons. However, for these very same reasons, the intent to annex the territory is also potentially an attempt to construct conditions under which a ceasefire can be agreed upon, whereby Russia keeps the current territory it has taken in exchange for an end to the fighting. Though this is unlikely, Putin was forced to make some conciliatory statements at the recent Shanghai Cooperation Organisation in Samarkand, Uzbekistan. China, India, and Turkey all told Putin he needed to end the war as soon as possible.

Putin may assess the best way to achieve this is to set the conditions for escalation and hope that Ukraine's allies will become more tentative in their support. However, if Russia can't accomplish this, it sets the conditions to change from a "Special Operation" to a defensive war against foreign aggressors.

There was an unexpected prisoner swap on September 22, but any ceasefire is a long way off. Zelensky has ruled out talks with Putin because of the referendums and likely because of the battlefield successes Ukraine is having. The U.S. announced that it would supply a new weapons package worth US\$1.1 billion to Ukraine because of the annexation of its territory, and U.S. and EU sanctions are likely to follow. Ongoing support from the U.S. and NATO increases Ukraine's willingness to keep fighting. At this time, the most likely scenario remains a prolonged conflict.

Brothers of Italy Win Election

Italy held its general election on September 25. It was won by the Brothers of Italy party led by Giorgia Meloni. Meloni is likely to become Italy's youngest and first female Prime Minister. She will likely form a coalition with the Lega Nord and Forza Italia parties creating a comfortable majority in parliament.

The Brothers of Italy is a hard-right-wing party with roots in the Italian fascist movement. There are concerns over the potential policy direction and conflict with the EU. Meloni has vowed to revisit Italian reforms agreed with the EU in return for almost €200bn in post-Covid recovery grants and loans. Policies impacting civil rights, such as same-sex marriage and tightening immigration strategy, are very likely. These will probably trigger protests.

Confrontation with the EU would be concerning while the war in Ukraine continues and Europe's energy security and economy are severely tested. While Meloni is known to support Ukraine in the fight against Russia, this may be tested by the domestic economic costs of the war. Italian popular opinion has also traditionally been sympathetic to Russia, and the leaders of her likely coalition partners, Matteo Salvini and Silvio Berlusconi have had close ties to Russia.

Additionally, Italy has the second largest debt burden in the EU, and the new government is economically untested. Therefore, promises of tax rises will be challenging to fulfill without harming economic confidence and outlook. In addition to protests over policy changes, Italian anarchist activity targeting political institutions is likely to uptick. This is likely to involve arson attacks and letter/parcel bombs.

The appeal of nationalists and populists in Europe continues. The Brothers of Italy's victory, as well as that of the far-right Sweden Democrats, which became the second-largest party, and the largest in what is expected to be a right-wing coalition in Sweden, will likely embolden far-right parties in France and other countries.

Serbia-Russia Agreement

Serbian officials signed an agreement with Russian Foreign Minister Sergey Lavrov during the United Nations General Assembly in New York amidst the condemnations of Russia's invasion of Ukraine.

The deal centers around Serbia's foreign policy decisions will now be "consulted" by Russia for the next two years. Serbia has refused to sanction Russia over the invasion of Ukraine and instead has focused on strengthening their relationship. Russia has been attempting to find allies wherever it can, with President Vladimir Putin meeting Chinese President Xi Jinping in Uzbekistan last week. However, no agreements were made between the two nations.

Western countries have expressed concern over the agreement between Serbia and Russia, as Serbia holds candidate status for the European Union (EU). Admission to the EU would require Serbia to align its foreign policy with the rest of the bloc, an unlikely scenario given that they have not yet sanctioned Russia.

Additionally, Serbia does not aspire to join NATO and has a policy of remaining militarily neutral. Serbia and NATO have a problematic past, with NATO bombing Belgrade in 1999 as a part of the Kosovo war in Yugoslavia. Many European nations recognize the independence of Kosovo, whereas Serbia and Russia do not. Its agreement with Russia does not violate this policy of neutrality, as security and military policy are not mentioned.

The United States Ambassador to Serbia, Christopher Hill, said in a press conference that the United States and its allies expect "clarifications" about the deal between Serbia and Russia. Serbia has attempted to dampen the rhetoric surrounding the situation, calling it only a "technical document." Emmanuel Joffre, EU Ambassador to Serbia, noted that Serbia is expected to follow the lead of EU foreign policy, hoping Serbia would reverse course and sanction Russia.

Serbia has not been entirely on Russia's side, though, and has sided with the West on specific issues. Most notable is Serbia's rejection of Russia's organization of "referendums" in the occupied regions of Ukraine. Serbia has cited its commitment to the United Nations Charter and other international laws as a reason for opposing the referendums.

The truth is more complicated than the Serbian government simply supporting international law out of respect. Supporting separatist regions or annexation in Ukraine threatens the Serbian government's domestic political base, which considers Kosovo a separatist territory. Giving any separatist regions legitimacy – even those supported by Russia – hurts the agenda of the Serbian government.

Serbia has been able to balance its interests thus far, and this agreement with Russia is no exception. Continuing this course of action, though, may lead to future conflict with either the EU or Russia over political disagreements and further inflame tensions.



IMPACT ANALYSIS

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